

Dear State CSBG Administrators,

CUTS ON THE HORIZON FOR FY 2011 APPROPRIATIONS: House Appropriations Chairman David R. Obey (D-WI) said last week that FY 2011 funding for programs under the departments of Labor, Health and Human Services (HHS), and Education - which funds CSBG - could be cut by \$3.5 billion. More specifically, **Obey stated, "We're going to have to cut this bill by about \$3.5 billion and that means \$3.5 billion below Obama's budget."**

FY 2011 BUDGET RESOLUTION: **According to House Democrats, talks on a budget resolution will continue this week. However, talks have also begun on possible alternatives to a formal budget.** One option under discussion is a beefed-up "deeming" resolution that not only sets a discretionary spending limit for the year, but also changes House pay-as-you-go rules so they conform with the new PAYGO law.

Under the Budget Act, Congress may begin to consider appropriations bills without a budget resolution if a budget hasn't been adopted by May 15th, but leaders prefer to first set a top-line discretionary spending level through a deeming resolution so that budget enforcement rules to prevent excessive spending can be enforced. **The main impediment to getting a budget resolution through Congress this year continues to be a disagreement between moderates and liberals over discretionary spending levels, including whether or not defense programs should be subject to cuts.**

UI BENEFITS AND MORE: With just two weeks left before Congress' scheduled Memorial Day recess, **lawmakers are hoping to complete action on the tax extenders/social safety net bill (HR 4213), with the House expected to consider a House-Senate agreement this week.** Negotiators have been working on the package for the past few weeks and leaders want to send a final bill to President Obama by the end of the month, when current authority for long-term unemployment insurance benefits, federal health insurance subsidies for laid-off workers, and other policies is scheduled to expire.

Since the end of 2009 those policies, as well as language preventing a scheduled 21% cut in Medicare reimbursement rates to doctors, have been extended in just one- or two-month increments by Congress, often with great legislative difficulty in the Senate. Democratic leaders now want to enact a measure that would extend the policies through the end of the year and eliminate the need for any further legislative action before the November elections. Notably, Democrats plan to offset the costs of the bill's tax provisions, but not policies they consider to be a continuation of "emergency" needs — such as the extensions of long-term unemployment benefits and health care subsidies.

*(Source: Congressional Quarterly)*

We will keep you informed as things progress.